On the question of taxation to support the military establishment and the cost of government, the breach between the Lower House and Upper House, already wide, rapidly increased during this two-year period, and the disputes became more and more acrimonious. Governor Sharpe, who was personally popular, was in a most difficult position. Appointed by the Lord Proprietary, with the approval of the Crown, he was not only obliged to follow the orders of the Proprietary in matters of taxation, but to make every effort to induce the Assembly to carry out the demands of the Crown for military assistance. The long-standing dispute, extending back into the preceding century, between the Proprietary and the people as to the respective rights of each in the tobacco export tax, in the licences from ordinaries, and in various fines and forfeitures, flared up with renewed intensity at these sessions.

One of the principal sources of the Provincial revenue was derived from the export duty of two shillings a hogshead on tobacco, originally imposed in part for the payment of quit-rents, and in part for the support of the government; of this latter moiety of twelvepence, Queen Anne, some years before, had ordered that threepence be set aside and expended for purposes of defence and the purchase of arms and ammunition. When Benedict Leonard Calvert renounced Roman Catholicism and the Province was restored to his son Charles in 1715, all the tobacco tax, including the threepence, was appropriated to himself by the Proprietary, ostensibly for "the support of government." The people declared, however, that this threepence was not used for governmental expenses, but found its way, with the rest of the export tax, into the Proprietary's own pocket; and the Lower House continued to protest with vehemence against the failure of the Proprietary to dedicate this threepence tax specifically for the public defence, declaring that the action of Queen Anne had the effect of law and was binding upon him. Frequent reference to this subject is to be found in the debates of former sessions, and during this period.

The disposition of the licence fees from ordinaries was also the subject of bitter debate. These had long been claimed by the Proprietary as his prerogative and the claim had been vigorously opposed by the people. Earlier in the century these licences had been turned over by the Proprietary as a perquisite to his Provincial secretary, but in the years immediately preceding our period, at the time of the third Colonial War, Charles, fifth Lord Baltimore, had allowed them to be used to defray the cost of military operations. Frederick, sixth Lord Baltimore and the present Proprietary, now demanded them for his own use, and the people were up in arms. The Lower House at the February-March 1755 session, declared by a resolution unanimously adopted, that the licence fees from ordinaries had always belonged to the country, as the House expressed it; that the Proprietary had never had the right to any tax or any licence fees